



9110-04-P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

[Docket No. USCG-2013-1084]

Draft Policy Letters: Guidance for the Use of Liquefied
Natural Gas as a Marine Fuel.

AGENCY: Coast Guard, DHS.

ACTION: Notice of availability and request for comments.

SUMMARY: The Coast Guard announces the availability, in the docket, of two draft policy letters for which it seeks public comment. The first draft policy letter provides voluntary guidance for liquefied natural gas (LNG) fuel transfer operations on vessels using natural gas as fuel in U.S. waters, and training of personnel on those vessels. It recommends transfer and personnel training measures that we believe will achieve a level of safety that is at least equivalent to that provided for traditional fueled vessels. It would apply to vessels equipped to receive LNG for use as fuel, but not to vessels carrying LNG as cargo that use boil-off gas as fuel. The second draft policy letter discusses voluntary guidance and existing regulations applicable to vessels and waterfront facilities conducting LNG marine fuel transfer (bunkering) operations. The second

draft policy letter provides voluntary guidance on safety, security, and risk assessment measures we believe will ensure safe LNG bunkering operations. We request your comments on these draft policy letters before signature and public release.

DATES: Comments and related material must either be submitted to our online docket via <http://www.regulations.gov> on or before **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]** or reach the Docket Management Facility by that date.

ADDRESSES: You may submit comments identified by docket number USCG-2013-1084 using any one of the following methods:

- (1) Federal eRulemaking Portal:

<http://www.regulations.gov>.

- (2) Fax: 202-493-2251.

- (3) Mail: Docket Management Facility (M-30), U.S. Department of Transportation, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue SE., Washington, DC 20590-0001.

- (4) Hand delivery: Same as mail address above, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The telephone number is 202-366-9329.

To avoid duplication, please use only one of these four methods. See the "Public Participation and Request for Comments" portion of the SUPPLEMENTARY INFORMATION section below for instructions on submitting comments.

FOR FURTHER INFORMATION CONTACT: If you have questions on this notice, call or e-mail Ken Smith, Vessel and Facility Operating Standards Division (CG-OES-2), U.S. Coast Guard; telephone 202-372-1413, e-mail Ken.A.Smith@uscg.mil. If you have questions on viewing or submitting material to the docket, call Cheryl Collins, Program Manager, Docket Operations, telephone 202-366-9826.

SUPPLEMENTARY INFORMATION:

Public Participation and Request for Comments

We encourage you to submit comments and related material on the proposed draft policy letters and voluntary guidance described in this notice. All comments received will be posted, without change, to <http://www.regulations.gov> and will include any personal information you have provided.

Submitting comments: If you submit a comment, please include the docket number for this notice (USCG-2013-1084) and provide a reason for each suggestion or recommendation. You may submit your comments and material online, or by fax, mail or hand delivery, but please use only one of

these means. We recommend that you include your name and a mailing address, an e-mail address, or a telephone number in the body of your document so that we can contact you if we have questions regarding your submission.

To submit your comment online, go to <http://www.regulations.gov>, type the docket number (USCG-2013-1084) in the "SEARCH" box and click "SEARCH." Click on "Submit a Comment" on the line associated with this notice. If you submit your comments by mail or hand delivery, submit them in an unbound format, no larger than 8½ by 11 inches, suitable for copying and electronic filing. If you submit them by mail and would like to know that they reached the Facility, please enclose a stamped, self-addressed postcard or envelope. We will consider all comments and material received during the comment period.

Viewing the comments and material in the docket: To view the policy letters and comments on it, go to <http://www.regulations.gov>, type the docket number (USCG-2013-1084) in the "SEARCH" box and click "SEARCH." Click on "Open Docket Folder" on the line associated with this notice. If you do not have access to the internet, you may view the docket online by visiting the Docket Management facility in Room W12-140 on the ground floor of the Department of Transportation West Building, 1200 New Jersey

Avenue SE., Washington, DC 20590, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. We have an agreement with the Department of Transportation to use the Docket Management Facility.

Privacy Act: Anyone can search the electronic form of comments received into any of our dockets by the name of the individual submitting the comment (or signing the comment, if submitted on behalf of an association, business, labor union, etc.). You may review a Privacy Act, system of records notice regarding our public dockets in the January 17, 2008, issue of the Federal Register (73 FR 3316).

Background and Purpose

The shipping industry is exploring conversion from oil-based bunker fuel to cleaner burning natural gas, because the use of natural gas as vessel fuel would substantially reduce carbon emissions, sulfur emissions, and nitrogen oxide emissions. This fuel would be stored on and transferred to vessels in the form of liquefied natural gas (LNG). To date, the Coast Guard has issued no policy or regulations specifically for vessels receiving LNG for use as fuel or for vessels and waterfront facilities providing LNG for use as fuel. Existing regulations cover design, equipment, operations, and training of personnel on

vessels that carry LNG as cargo and at waterfront facilities that handle LNG in bulk. They also cover conventional oil fuel transfer operations, but do not address LNG transferred as fuel. The shipping industry, including vessels and waterfront facilities intending to provide LNG as fuel, is looking to the Coast Guard to provide guidance to help ensure the safe transfer and use of LNG as a marine fuel.

The Coast Guard has developed two draft policy letters, available in the docket, that recommend transfer procedures and other operating guidelines for vessels and waterfront facilities providing LNG to vessels for use as fuel and for vessels operating in U.S. waters that will be fueled with natural gas that will be stored onboard as LNG. The Coast Guard is interested in receiving public comment on these draft policy letters and voluntary guidelines prior to finalizing them for signature and public release. At a future date, we may initiate a rulemaking on the topics discussed in these policy letters.

The draft policy letters and voluntary guidance would not apply to vessels that carry LNG as cargo and utilize their boil-off gas as fuel. They also would not provide guidance on vessel design criteria for natural gas fuel systems or design of vessels providing LNG for use as fuel.

Questions related to the design of these systems should be referred to the Coast Guard's Office of Design and Engineering Standards (CG-ENG, formerly CG-521). To communicate with CG-ENG, please contact Mr. Ken Smith (see "FOR FURTHER INFORMATION CONTACT" section for details).

Voluntary Policy

The draft policy letters proposed would be voluntary, except where existing regulatory requirements are discussed. Although they may assist the industry, public, Coast Guard, and other Federal and State regulators in applying existing statutory and regulatory requirements, the draft policy letters and guidance they contain are not a substitute for applicable legal requirements nor are they regulations themselves. We note the ongoing work of the International Maritime Organization in this area, in particular regarding training of personnel engaged in these operations. Developments within this body will be taken into account during possible future revisions of the draft policy letters. During the course of local operations, each Coast Guard Captain of the Port (COTP) has discretionary authority on how best to address specific safety and security concerns within his or her area of responsibility (see, e.g., 33 CFR 1.01-30). Nothing in the draft policy letters and guidance they contain are meant to override or

subvert the discretion of the COTP when addressing the unique safety and security concerns of an LNG operation.

This notice is issued under authority of 5 U.S.C. 552(a) and 33 U.S.C. 1221-1236.

Dated: February 3, 2014.

J.G. Lantz,
Director of Commercial Regulations and Standards,
U.S. Coast Guard.

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